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Trade and the new republic : American trade during the Napoleonic wars, 1783-1830

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Part I

Interplay of trade and conflicts in the long run

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Trade and the new republic

American trade during the Napoleonic Wars, 1783– 1830

Jeremy Land, Jari Eloranta, and Maria Cristina Moreira

Introduction

This chapter analyzes the trading practices and trends for the new, weak republic, the United States, from the beginning of its de fact independence in 1783 through the Revolutionary and Napoleonic Wars all the way to the period of peace in 1830. It taps into an important field of analysis, namely the discussion of the economic impacts of war on trade as well as the role of neutral and/or weaker states in wartime situations. Many scholars have recently investigated the disruptions caused by major conflicts like the world wars, and recent scholarship certainly places the revolutionary wars and the contingent Napoleonic conflicts into the same category. However, these scholars have paid relatively little attention to smaller (often neutral) players, like the Nordic countries, in these wars, assuming that they occupied an insignificant role in the conflict.

Moreover, states that have a large geographic size, but lack political and military power, are either treated the same as great powers or ignored until they gain such status. We want to explore what kinds of changes, including structural, we see in the trade flows between the United States *and* both great powers and weaker states, especially whether the pressure of the war effort allowed more latitude for these states to explore their trade options. Furthermore, we investigate whether there are substantial changes, and what those changes would imply, in the types of goods exchanged over this complex period, hinting at the significance of this trade for both

countries. Finally, we analyze whether economic and business concerns overrode political and diplomatic obstacles in these trade relations, thereby opening up opportunities for the smaller/weaker states. Our basic argument is that weak states were able to expand their trade and discover new markets during such large and protracted conflicts, although this was, as in the case of US–Portuguese trade in this period, typically a shorter-term phenomenon. Therefore, longitudinal analysis of US trade flows and behavior over the period of several conflicts will provide a fresh perspective on the role of this new, and oftentimes, weak state.

Our key starting points are as follows: (1) small and medium-sized states have been a much more integral part of world trade than has previously been assumed, particularly during crisis periods; (2) crises tend to accentuate the importance of trade relationships between and with smaller nations, since many of them did not directly participate in the actual conflict, thus providing valuable raw materials and markets for the warring parties; (3) aggregate statistics are likely to understate this role, given that the focus in past scholarship has been mostly on trade between big players in the international system. Our findings support these hypotheses, by and large, even if solely looking at macro statistics. Smaller European states became much more important for US trade during the conflict period, albeit temporarily. We can also see that certain countries became particularly important, since they had the crucial raw materials needed during the age of global war. Moreover, the US also provided much-needed matériel and food to smaller European nations such as Portugal.

In the following chapter we first discuss why the study of smaller/weaker nations is important and review some of the existing scholarship of early American trade. Then we evaluate some broad trends in US trade and take a closer look at the role European nations other than Great Britain, France, and Germany played in this trade. Then we analyze the early 19th century and war years in the context of US trade and discuss US–Portuguese trade as a case in point, to be followed by some preliminary conclusions.

Why study smaller (or weaker) states?

The Revolutionary and Napoleonic Wars were truly total wars based on the methods chosen by the belligerents, which also affect countries outside the direct fighting. The effects of the war spilled over to influence the relations between neutrals as well. Due

to the fact that these wars had an impact on the trade relations of *all* nations, many countries scrambled to find new outlets for exports and sources for imports. Respectively, the United States was particularly hard hit by these wars, which forced it to seek alternative trading partners and networks. Therefore, in this situation the bargaining power of weak (like the United States) and/or smaller states (like Portugal which was both weak and small) increased, albeit temporarily.

Scholars have paid too little attention to the smaller players in times of war, often assuming that they occupied an insignificant role in the conflict. “Small power” and “smaller state”, typically and erroneously, imply small geographic size. A more fitting definition can perhaps be found in the use of the term “weak state”. This concept also applies to countries of considerable area, which were nonetheless weak (political and/or economic) players in the international system.¹ Here we would argue that most European smaller states, like Portugal and Sweden, despite being a war zone for some portions of this period, were indeed such states; a state that increased its international trade and bargaining power due to aforementioned external conditions. The United States was a weak state as well, and for the most part in this period neutral, given its short existence and limited military power.

Neutral states, including the Nordic countries for most of the period (when they were not under occupation), served a vital function during a wartime trading system, when traditional trading networks were disrupted. As Leos Müller has shown, the concept of neutrality evolved in the 17th century, and neutral participation in trade reduced transaction costs among the belligerents, circumventing blockades and other trade restrictions. The ability to use neutral states as trading partners and carriers of goods prevented the wholesale collapse of Atlantic commerce during the era of the Revolutionary and Napoleonic conflicts.² Neutral states, often treated differently by the belligerents based on past history and alliances, functioned in a treacherous economic environment, despite their efforts to pressure the great powers to recognize and respect their neutrality status. Some nations formed loose alliances between neutrals. To make this trading environment even more difficult, the British and French effectively instituted blockades on each other after 1802, developing later into the infamous Continental System by Napoleon in 1806.³ Neutrals, like the United States and Nordic countries, tried to find their niches under these conditions and, while the

risks were high, the payoffs too were high. Belligerent nations were desperate for goods and supplies. In fact, the Continental System increased trading opportunities for some nations, increasing the transit trade between neutrals.⁴ And, while there have been studies on the trade behavior of some neutral states, including the United States, the networks between the neutrals and great powers have not yet been studied adequately.⁵

Ultimately, it is completely natural to focus most of the analysis on the great empires, like Great Britain and France. After all, it is quite staggering to conceptualize the evolution of an empire like Great Britain, from its humble beginnings in the 16th century, with the building of the navy and its first major victory against the Spanish Armada, to the multicultural, industrialized empire that ruled the world in the 19th century.⁶ Additionally, the desire to understand the desperate, global conflict for supremacy from the 1790s to 1815 and Britain's role in this process is again quite understandable.⁷ Also, the focus on the naval battles and strategies of these wars, including the building and development of the great fleets, seems quite logical and worthy of intense scholarship.⁸ But maybe the intense nature of these rivalries and the total wars between the great powers in fact explains why they had to rely on alliances with lesser powers to complement their war efforts. Therefore, even a great power like Great Britain had to tolerate the activities of the neutral states, sometimes to the detriment of their own war efforts.

Trade and the Early Republic in the historiography

Generally, the majority of books and articles on the Early Republic period of the United States are focused on the political and social changes that appear to dominate the period. However, little is said, other than fleeting mentions, of the importance of European trade in the economic development of the newly formed nation. This is a rather puzzling omission, especially considering the wealth of material available for the study of such factors. Still, there are a few studies that attempt to explain how the early US managed to expand its fledgling economy.

Gordon Wood, a prominent American historian, wrote in his massive study of the Early Republic that American trade with Europe and the rest of the world increased thanks to the wars between the old trading powers. Furthermore, in the 1790s France and Spain threw "open their hitherto closed ports in the Caribbean to American

commerce”.⁹ Americans also profited from the re-export trade, using their neutral ships as the means to transport goods from Europe to other areas of the globe. In addition, Wood maintained that the War of 1812 began because of Britain’s refusal to view American ships as neutral, thus limiting American trade to Europe.¹⁰

Others also have pointed out the connection between trade and the leadup to the War of 1812. Frank Updyke, in his study of diplomacy before, during, and after the war, explained that the ultimately unsuccessful efforts of American politicians and officials to establish neutral status recognition from Britain were a major cause of the war.¹¹ Yet, Updyke did little more than describe the diplomatic wrangling over neutral trade and offered little detail on how much that trade expanded prior to the war. Alfred T. Mahan argued that the discussion over which ports and countries American ships could trade goods with resulted in many near conflicts prior to the war and, eventually, sparked the war.¹² Still, little has been said of how much those conflicts affected American trade.

Somewhat closer to the topic of this chapter, Joyce Appleby discussed the growth of agriculture during the Early Republic period. She explained that higher prices in the 1790s created demand for more American agricultural products thanks to a variety of issues, including the Napoleonic Wars. However, she argued that it was not the war that drove prices higher, but rather the declining ability of Europeans to produce enough food domestically for the growing populations. Still, she maintains that, by 1820, prices had dropped back to the pre-1790 levels as Europe was finally able to produce enough food for its population, not the end of Napoleonic warfare.¹³ Though her argument makes sense on the surface, she does not seem to consider that warfare limits the abilities of nations to produce agricultural products for a variety of reasons, including a lack of manpower and the necessity of feeding large armies and navies.

Several authors have written about the entire American economy and its growth (or decline) prior to 1840. George Taylor argued that the American economy experienced a depression due to the American Revolution and the immediate aftermath from 1775 until 1790. But he also showed how the young economy experienced a surge of growth in the 1790s until 1807 as embargoes and war took a toll on that growth.¹⁴ Though he dealt mostly with standard of living and not trade, his assertions appear to back our hypothesis that the United States experienced an increase in its trade with

Europe. Much like Taylor, Diane Lindstrom approached the same topic but with newer evidence. She found, however, that the economy did experience impressive growth, but she contended that it was at a lower level than Taylor argued. Ultimately, Lindstrom succumbed to a common bias in the historiography in viewing the Early Republic period as a precursor to industrialization.¹⁵

Perhaps the most pertinent study in the historiography, Douglass C. North's *The Economic Growth of the United States, 1790–1860*, explained that foreign trade was key to the overall development of the American economy. Even he was surprised at what he found when he began his research. As he wrote:

Originally the study was to cover the years 1815 to 1860, on the hypothesis that this had been the critical period in the economy's development. As work progressed it became clear that the previous era of warfare (and particularly the years 1793 to 1808) had played an important role in the country's development.¹⁶

Though his book incorporated a larger period than this chapter, North argued that the United States benefited greatly from the expansion in trade, both from re-exports and normal exports, to all of Europe, not just the major powers. This was due to the nearly constant state of warfare between the major powers and American neutrality during the period.¹⁷

Not surprisingly, North's view of the importance of the period of 1790–1808 has drawn criticism. Donald Adams Jr maintained that North overestimated the importance of the exports, arguing that the entire economy's growth did not deviate from the long-run and modest growth experienced prior to the Civil War. He argued that only the re-export trade experienced any growth and "domestic trade exhibited little deviation" from normal trends.¹⁸ Claudia Goldin and Frank Lewis attempted to bridge the gap between Adams and North, staking the middle ground between the two opposing views. They contended that there was evidence to support North's assertion that exports led to the growth of the economy, but not enough to assign exports preeminence over other domestic factors. However, they focused, as did Adams, on income per-capita growth and ignored the population growth of the period.¹⁹ Furthermore, they did not engage much in the export analysis other than allowing it a

more important role than Adams claimed. Ultimately, none fully discussed the amount of trade and how warfare affected either the growth or decline. We intend to show how the period of nearly constant warfare in Europe allowed American merchants the opportunity to expand their trade with more than just the major powers.

More recently, historians have begun to ascertain the tremendous importance of European wars on American trade and even state formation. James Fichter made the bold argument that American trade (both prior to and after independence) in the East Indies directly influenced the development of capitalism and states in both the UK and the United States. More importantly, however, Fichter contended that American growth and success in the Indian Ocean as primary carriers of trade was directly related to the wars between France and England during the period 1798–1830.²⁰

Not only are historians examining the influence of trade on the American economy and state, but some are examining how American trade forced other, larger nations to adjust their strategies to meet the growing competition that US traders represented. John Haddad argued that Americans held a comparative advantage in China and the Indian Ocean over European merchants, especially those from England. The United States was such a young nation that very few institutional restrictions forced American merchants into pre-established protocols that British merchants, for example, were forced to follow under the auspices of the East India Company. As a result, both Haddad and Fichter suggested that American success in the Indian Ocean caused the ultimate downfall of the British East India Company's monopoly as British officials sought to compete effectively.²¹

Aggregate trends in US trade, from the 18th century to 1860 (and beyond)

There are few historians who approach the subject of US trade prior to the Civil War and fewer still who are interested in our time period. Some have examined the period from 1770 to 1860 on an even larger scale than we do here, studying the overall American economy with less focus on the foreign trade.²² Some in the past were seriously interested in the economic trends of the 19th century; as multiple conferences were held in the 1950s and 1960s with this topic in mind. Yet, the authors and academics who are interested in these trends tended to view them via the lenses of the Civil War and industrialization. Most were concerned with finding some piece of

key data or analysis that explains how ready, or not ready, the American economy was for industrialization or the horrors of war.²³

One exception to the others in the historiography was an upper-level textbook that discussed the long-run trends of the period in question. The authors, North among them, explained that the period of 1775–1840 was one of the highest rates of growth ever recorded.²⁴ Still, there was little discussion of the importance of trade in the context of that expansion, and how European wars affected the American economy.

<<Table 2.1 HERE>>

Table 2.1

Exports to England from the colonies and imports from England to the colonies,
1693–1790

<i>Year</i>	<i>Exports to England</i>	<i>Imports from England</i>	<i>Net balance</i>
1693	113,600	169,381	–55,781
1700	395,021	344,341	50,680
1710	249,814	293,659	–43,845
1720	468,188	319,702	148,486
1730	572,585	536,860	35,725
1740	718,416	813,382	–94,966
1750	814,768	1,313,083	–498,315
1760	761,099	2,611,764	–1,850,665
1770	1,015,535	1,925,571	–910,036
1780	18,560	825,431	–806,871
1790	1,043,389	3,258,238	–2,214,849

Source: Carter et al. (2006).

Note

Values in pounds sterling, in constant values.

Unfortunately, we know much less about the aggregate trade before the 1770s, given the typical scholars' preoccupation with the American Revolution. However, we have more information about trade at the state level. As seen in Table 2.1, trade between Massachusetts and England increased rapidly in the 18th century, prior to the Revolution when volatility became very high. In particular, Massachusetts experienced a turbulent period of volatility for its fishing industry in 1770–1810. The American Revolution virtually destroyed the state's commercial fishing, but it experienced a revival very shortly after the end of the Revolution, recovering “more than 70 percent of their pre-Revolutionary levels” by 1790. The average annual amount of codfish exported to Europe in 1765–1775 was 178,800 (hundredweight), whereas it was lower in 1786–1790, at 108,600 (hundredweight). The number of vessels involved, as well as the tonnage, also declined.²⁵ Once the wars between France and England began in the 1790s, price levels rose quite high. Thus, tonnage for the “state climbed from 19,185 in 1789, to 42,746 in 1798, to 69,306 in 1807.” More importantly, average exports of cod per annum expanded from 250,650 (quintals) for the period 1786–1790 to 523,440 for 1803–1807.²⁶ This is further evidence that the wars in Europe not only expanded American trade, but helped fisheries recover from a destructive war for independence and even exceed prewar levels.

European and American trade, though largely maintained through the larger powers, became a nearly necessary means by which the young republic could solidify its fledgling economy. Nonetheless, some politicians and administrations felt that it could be used as a diplomatic tool. Jefferson's Embargo Act of 1807 was just one example of American trade being used for political purposes. The intention was to pressure France and Britain, through economic hardship, into accepting American neutrality. Unfortunately, it also prohibited trade with nations not named France or Britain. Therefore, it caused widespread domestic hardship and smuggling, and did not affect its intended targets in any meaningful way.²⁷ Essentially, the embargo ended one of the largest periods of growth in exports in American history as seen in Figure 2.1.

<<Figure 2,1 HERE>>

Figure 2.1

US exports and imports as a percentage of GDP, 1790–1950.

Source: Carter et al. (2006).

At the end of the 18th century and the beginning of the 19th, American ships became almost exclusive carriers of commerce throughout the Atlantic thanks to major war between France and England. In his diplomatic exertions in 1808, James Monroe justified his attempts to re-establish neutral status for American merchants and ships explained that the “United States were in a prosperous and happy condition”, prior to 1808; “as a neutral power, they were almost the exclusive carriers of the commerce of the whole world”.²⁸

As seen in Figure 2.1, the relative economic weight of both exports and imports has declined over the 19th and 20th centuries. Furthermore, we can see that trade dependence was higher during the years of the Early Republic, and there was much more volatility too. A substantial drop in exports and imports seemed to occur during conflict periods, for example, the Napoleonic wars and the Civil War; however, during the world wars, for example, exports increased substantially.

<<Figure 2,2 HERE>>

Figure 2.2

US Trade dependence and real GDP per capita, 1790–1950

Source: Carter et al. (2006).

As displayed in Figure 2.2, over time US trade dependence has declined noticeably, while economic development and standard of living have increased dramatically. This also represents the period during which US became an economic and political superpower, as seen in Figure 2.3. US gained power vis-à-vis the other players in the international system in the late 19th century and was finally regarded as a (minor) great power after the turn of the century, although US did not take on the role of a superpower until after World War II.²⁹ The CINC-index climbs substantially after that point. We can see that energy consumption, perhaps a proxy for economic

expansion, developed much more evenly and earlier than the political (or military) power. Typically, most of these types of indices consider US a great power only after 1898, the Spanish-American War. Even then it would be a stretch to call the US a great power, though, given its military weakness.

<<Figure 2,3 HERE>>

Figure 2.3

US great power status and energy consumption, 1816–1950.

Sources: Singer, Bremer, and Stuckey (1972), data from www.correlatesofwar.org/COW2%20Data/Capabilities/nmc3-02.htm.

Note

Details on the calculation of the CINC score can be found here:

www.correlatesofwar.org/COW2%20Data/Capabilities/NMC_Documentation.pdf. Energy consumption expressed in thousands of coal-ton equivalents.

<<Figure 2,4 HERE>>

Figure 2.4

Total US exports and imports, and the net balance, in millions of USD, 1790–1950.

Source: Carter et al. (2006).

As seen in Figure 2.4, exports and imports seem to have grown in tandem over the time period from 1790 to World War I, at least when analyzed in real values. Moreover, although exports expanded strongly during the world wars, the net balance was positive for most of this period.

<<Figure 2,5 HERE>>

Figure 2.5

US exports to Europe and the UK, 1790–1950.

Source: Carter et al. (2006).

However, as we have already suggested, it would be misleading to analyze US trade simply from the perspective of aggregate trade figures; in particular, let us examine US trade with Europe in more detail, namely what the main trends were over time. First of all, European share of the US exports was over 50 percent for most of

the period depicted in the Figure 2.5. The major dips in this share occurred during the war years, the importance of the European markets started to wane in the 20th century, but the aggregate share still remained over or around 50 percent at that point. This suggests that wars tended to involve both parties and induce dramatic volatility in their trade relationships. However, the aggregate trends may, again, be somewhat misleading, since they do not tell us much about the individual countries involved. In fact, did the wars have a similar impact on *all* European countries' trade?

<<Figure 2,6 HERE>>

Figure 2.6

US exports to nations other than UK, France, and Germany, 1790–1950.

Source: Carter et al. (2006).

When we expand our analysis to look at the breakdown between the biggest European nations and the “others”, a different picture emerges. It seems that the “others” did a lot of business with the United States especially in the beginning of the 19th century and during the world wars. This is the pattern seen in Figure 2.6. This suggests that it would be equally misleading to focus on just the big European nations as America's trading partners, in fact we would argue that that would leave out a big chunk of the trade, especially during crises. In real terms, as seen in Figure 2.7, the volume of imports from nations other than the “big three” increased greatly during the Napoleonic Wars, only to experience a rapid reduction afterwards, with a steady growth trend until 1860. While we do not have the aggregate import figures before 1820, it is quite likely that the imports developed similar to exports during the war years, since they seemed to behave (somewhat) similarly afterwards. On the eve of the Civil War, exports peaked again, with imports showing much more volatility.

<<Figure 2,7 HERE>>

Figure 2.7

US exports to and imports from nations other than UK, France, and Germany, in real USD (1830 = 100), 1790–1860.

Source: Idem.

We can get a bit more information about trade by looking at the actual tonnage employed in US trade during the Early Republic. As seen in Figure 2.8, foreign vessels were quite important when US entered into world markets as a sovereign nation in the 1780s. Then the share declined to a lower level until 1810, and then there was a sharp spike and a slightly higher level afterwards. Foreign vessels became crucial for the US during the key years of the Napoleonic Wars and, of course, the War of 1812. Therefore, it is important to take a closer look at the war years, and the 1810s in particular. How did the war affect US trade relations, in particular with smaller (or neutral) nations?

<<Figure 2,8 HERE>>

Figure 2.8

American and foreign tonnage employed in US foreign trade, 1789–1832.

Source: Pitkin (1835).

US trade in the period 1790 to 1830: the impact of the war years

The Napoleonic Wars, and the War of 1812 in particular, strained former alliances and forced countries like the US to rely more heavily on trade with smaller/weaker nations. It is quite noteworthy that the US did a lot of business with Portugal during those years, even though Portugal was an ally of Britain. Necessities of war dictated that countries adopt more practical solutions to their supply problems, sometimes turning a blind eye to violations of sanctions or embargoes.

As seen in Figure 2.9, the share of smaller nations of the total tonnage used in US foreign trade increased first in the 1790s, spiking dramatically during the 1810s. The tonnage of smaller nations proved to be crucial in supporting the US war effort, especially since the American Navy was still in its infancy.

<<Figure 2,9 HERE>>

Figure 2.9

Foreign tonnage entering US ports, 1789–1833: percentage share of nations other than Great Britain, France, or Germany.

Source: Pitkin (1835).

<<Figure 2,10 HERE>>

Figure 2.10

Spanish, Portuguese, and Swedish tonnage entering US ports, 1789–1833.

Source: Idem.

Moreover, as seen in Figure 2.10, smaller nations were eager to do business with the US. Spain, which was under Napoleon's rule and partially a war zone, did not have any compulsions about trading with the Americans. Portugal, which was on the other side of the Peninsular War, also increased its trade with the US, especially during 1810–1814.

Even smaller nations like Sweden did the same, and in fact matched the Spanish volume of trade (as expressed through tonnage) during the 1810s. Figure 2.11 shows that US exports to European nations other than Britain, Germany, and France were 70 percent of the total in 1810, and typically remained at least a quarter of the total trade in this period. As we have indicated, we have data on imports (at this point) only from 1820 onwards, so it is more difficult to examine that dimension of trade. However, all signs, including tonnage figures, point to similar conclusions for the imports.

<<Figure 2,11 HERE>>

Figure 2.11

US Exports to and imports from Europe, 1790–1830

Source: Carter et al. (2006).

If we look at Tables 2.2 and 2.3, we can discern the main US export and import products. Agricultural products were initially more important as export products, and by 1830 cotton had become the most important item by far, thereby feeding the British Industrial Revolution. However, during the Napoleonic Wars, it seems clear that the US became essential in supplying the foodstuffs that feed armies and civilians alike. In Table 2.4, we can see that, during periods of intense warfare between Britain and France, US wheat and flour exports were at much higher levels than both before and after the Napoleonic Wars, excepting years when the US was at war or attempting

trade embargoes. We have more limited information about imports, but coffee, tea, and spices were important, along with some manufactured products.

<<Table 2,2 HERE>>

Table 2.2

Main US export products, 1790–1830

<i>Year</i>	<i>Total value</i>	<i>Cotton, quantity</i>	<i>Cotton, value</i>	<i>Tobacco, quantity</i>	<i>Tobacco, value</i>	<i>Wheat, quantity</i>	<i>Wheat, value</i>
1790	–	–	–	118	4	1	1
1800	–	18	–	79	–	–	–
1810	27	93	15	84	5	–	–
1820	39	128	22	84	8	–	–
1830	45	298	30	84	6	–	–

Source: Carter et al. (2006).

Notes

Values in millions of dollars.

Quantities in millions of pounds, wheat expressed as million 60-pound bushels.

The only other product listed in this source is “other wood manufactures”, which amounted to 4 million dollars in 1820 and 2 million in 1830.

<<Table 2,3 HERE>>

Table 2.3

Main US import products, values, 1790–1830

<i>Year</i>	<i>Total value</i>	<i>Coffee</i>	<i>Tea</i>	<i>Sugar</i>	<i>Wool manufactures</i>	<i>Cotton manufactures</i>	<i>Iron and steel manufactures</i>
1790	–	–	–	–	–	–	–
1800	–	–	–	–	–	–	–

1810	—	—	—	—	—	—	—
1820 *	23	4	1	4	6	8	—
1830	29	4	2	5	6	6	6

Source: Carter et al. (2006).

Notes

All expressed as values, in millions of dollars.

* = for coffee, tea, and sugar, we used 1821 values, since the previous year numbers were not available. Therefore, the total is also an approximation.

<<Table 2,4 HERE>>

Table 2.4

US wheat and flour exports, 1791–1816

<i>Year</i>	<i>Wheat (bushels)</i>	<i>Average price per bushel (\$)</i>	<i>Flour (barrels)</i>	<i>Average price per barrel (\$)</i>	<i>Value of both (\$)</i>
1791	1,018,339	—	619,681	—	—
1792	853,790	—	824,464	—	—
1793	1,450,575	—	1,074,639	—	—
1794	696,797	—	846,010	—	—
1795	141,273	—	687,369	—	—
1796	31,226	—	725,194	—	—
1797	15,655	—	515,633	—	—
1798	15,021	—	567,558	—	—
1799	10,056	—	519,265	—	—

1800	26,853	–	653,052	–	–
1801	239,929	–	1,102,444	–	–
1802	280,281	–	1,156,248	–	–
1803	686,415	–	1,311,853	–	9,310,000
1804	127,024	–	810,008	–	7,100,000
1805	18,041	–	777,513	–	8,325,000
1806	86,784	1.33	782,724	8.00	6,867,000
1807	766,814	1.25	1,249,819	7.00	10,753,000
1808	87,330	1.25	263,813	6.50	1,936,000
1809	393,889	1.25	846,247	6.00	5,944,000
1810	325,924	1.50	798,431	7.50	6,846,000
1811	216,833	1.75	1,445,012	9.50	14,662,000
1812	53,832	1.94	1,443,492	10.00	13,687,000
1813	288,535	1.75	1,260,943	11.00	13,591,000
1814	–	–	193,274	9.50	1,734,000
1815	17,634	1.25	862,739	8.00	7,209,000

Source: Pitkin (1835).

US trade with Portugal during the war years: small nations mattered

As a consequence of the close relations between the Portuguese and British empires, well established as an ancient alliance and strengthened during that critical period, in the early years of the 19th century England was both the main supplier and client of the Portuguese market. This became particularly apparent in 1808 to 1813, as several

nations ceased to trade with Portugal, and the English, American, and Spanish traders picked up the slack. In particular, the American market became a pivotal target and source for Portuguese merchants, as other markets were difficult to reach.³⁰

<<Table 2,5 HERE>>

Table 2.5

Portuguese Trade with Sweden and Denmark, 1776–1831 (unit: contos de réis)

<i>Year</i>	<i>Imports from Sweden</i>	<i>Exports to Sweden</i>	<i>Imports from Denmark</i>	<i>Exports to Denmark</i>
1776	155	28	1	25
1787	270	30	2	22
1796	1,290	330	26	285
1807	733	181	140	87
1816	522	146	56	37
1826	328	115	105	51
1831	222	114	3	15

Sources: “Portugal’s Balance of Trade with Foreign Nations and Portuguese Colonies”, Portugal’s Balance of Trade with the US. Arquivo Histórico do Rio de Janeiro, *Balança Geral do Commercio do Reyno de Portugal com as Nações Estrangeiras em o anno de 1798 e 1808* (Portugal’s Balance of Trade with Foreign Nations in 1798 and 1808) Contadoria da Superintendência Geral dos Contrabandos e Descaminhos dos Reais Direitos. Instituto Nacional de Estatística, *Balanças Gerais do Comércio do Reyno de Portugal com os seus Domínios Ultramarinos e Nações Estrangeiras de 1796–1797, 1799–1807, 1809–1831* (Portugal’s Balance of Trade with Foreign Nations and Portuguese Colonies 1796–1797, 1799–1807, 1809–1831), Contadoria da Superintendência Geral.

As Leos Müller has shown already, American shipping increased dramatically during the Revolutionary and Napoleonic conflicts, with a 300 percent increase in capacity. American shipowners focused heavily on export trade, which meant that they had to find suitable return cargoes. Moreover, as the Napoleonic conquests

continued, there were fewer places to do business with in Europe. Therefore, the Nordic markets – Sweden in particular, since it was not conquered – formed important destinations for the Americans.³¹ Similarly, Portuguese trade with the Nordic countries increased substantially during the war years (see Table 2.5), although there were some years during which trade was curtailed as well. Trade with the other neutrals helped circumvent wartime regulations and shifting alliances, as well as formed important niche markets for countries like Portugal and the United States.

<<Table 2,6 HERE>>

Table 2.6

Main US products imported by Portugal, 1796–1820 (percent)

<i>Year</i>	<i>Percentage of total imports</i>	<i>Flour</i>	<i>Corn</i>	<i>Wheat</i>	<i>Rice</i>
1796	14.0	3.3	96.7	0.0	0.0
1797	77.0	24.3	8.0	1.7	65.9
1798	78.7	9.1	42.3	7.4	41.1
1799	78.5	4.3	71.5	6.6	17.6
1800	73.4	19.9	71.4	0.0	8.7
1801	95.2	14.4	53.8	5.7	35.4
1802	86.1	76.0	23.2	0.3	0.5
1803	96.1	47.8	43.5	3.2	5.5
1804	90.0	46.1	27.7	24.9	1.3
1805	69.1	50.3	35.4	13.4	0.9
1806	87.7	53.5	26.6	19.9	0.0
1807	93.9	79.5	14.4	6.1	0.0

1808	94.8	72.6	17.2	10.2	0.0
1809	74.6	63.3	26.5	9.2	1.8
1810	68.0	69.0	0.0	31.0	0.0
1811	82.7	69.2	13.4	6.3	11.2
1812	95.4	57.6	24.2	4.3	13.9
1813	91.0	56.2	24.7	11.1	8,0
1814	40.3	69.4	19.9	4.8	5.9
1815	90.8	61.4	15.8	5.2	17.6
1816	85.8	62.8	25.1	7.0	11.2
1817	79.0	75.8	0,0	16.6	7.6
1818	91.3	25.4	39,4	4.8	30.6
1819	86.3	13.4	70.8	7.1	8.7
1820	19.8	88.3	10,4	1.4	0.0

Sources: “Portugal’s Balance of Trade with Foreign Nations and Portuguese Colonies”, Portugal’s Balance of Trade with the US.

Based on Maria Cristina Moreira’s research, Portuguese imports were dominated by the key players throughout this period, from 1796 to 1831, as they represented more than 89 percent of the total imports. Of the eight countries that dominated the import flows, the US occupied sixth position as a supplier from 1801 to 1807 (1,185 contos,³² 6.9 percent); seventh between 1814 and 1820 (711 contos, 3.9 percent), and fell below eighth position from 1796 to 1800 (411 contos, 0.1 percent). It is surprising that, from 1808 to 1813, the United States became the second most important importer and that Portuguese imports from the US peaked, representing around six times the value of the average for the period. In general, these years represented a great boon for the exports and imports to and from the US. Typically, dependence on the Portuguese side on American cereals was quite striking, and these imports kept

Portuguese society and English troops alive during the most difficult period of the Peninsular War (see also Table 2.6).³³ The Portuguese market was also important on the American side, often representing a top-three destination for the American exporters.

Conclusions and further challenges

Our key assumptions were that (1) small and medium-sized states have been a much more integral part of world trade than has previously been assumed, particularly during crisis periods; (2) crises tend to accentuate the importance of trade relationships between and with smaller nations, since many of them did not directly participate in the actual conflict, thus providing valuable raw materials and markets for the warring parties; (3) aggregate statistics are likely to understate this role, given that the focus in past scholarship has been mostly on trade between big players in the international system. Our findings support these hypotheses, by and large, although our data are somewhat limited (especially for imports). Smaller/weaker European states became much more important for US trade during the Napoleonic wars, though temporarily. We can also see that certain countries became particularly important, since they had the crucial raw materials needed during the age of global war. Moreover, the US also provided much-needed material and food to smaller European nations.

In this chapter, we wanted to explore what kinds of changes, including structural, we can see in the trade flows between US *and* both great powers and weaker states, especially whether the pressure of the war effort allowed more latitude for these states to explore their trade options. The answer is affirmative – the demands of global war outweighed other (such as alliance) considerations. Economic and business concerns overrode political and diplomatic obstacles in these trade relations, thereby opening up opportunities for the smaller/weaker states. Our basic argument is that weak states were able to expand their trade and discover new markets during such large and protracted conflicts, although this was, as in the case of US–Portuguese trade in this period, typically a shorter-term phenomenon. The networks gained during such conflicts would not last during peacetime, when market conditions changed. Therefore, longitudinal analysis of US trade flows and behavior over the period of

several conflicts will provide a fresh perspective on the role of this new, and often weak, state.

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Notes

1 Handel (1981). See also Eloranta (2002). On the concept of small states in general, see Joenniemi (1998).

2 Müller (2004, 2008) See also Davis and Engerman (2006). On definitions of neutrality as well as small state challenges, see Ackerman (1983); Karsh (1988). On the American interpretations of neutrality and its implications in this time period, see especially Bukovansky (2003).

3 Davis and Engerman (2006), particularly chapter 2. For an innovative look at the Napoleonic power politics and alliances, see Rosecrance and Lo (1996). For a classic account on the Continental System, see Heckscher (1922).

4 Müller (2004: chapter 7).

5 See the studies listed in Müller (2004). On Denmark, see also Ruppenthal (1943). On American trade history and the impact of the blockades, see Hickey (1981); Keene (1978).

6 The literature on the great empires is massive and cannot be adequately summarized here. Some of it is discussed in an interesting theoretical article about how and why such empires have come about, see Turchin (2009).

7 See e.g. Bell (2007). On the debt burden incurred by Great Britain, reaching at its height over 300 per of GDP, see Ferguson (2001); Stasavage (2003).

8 On the history of the British naval fleet, see especially Kennedy (1976).

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- 9 Wood (2009: 622–623).
- 10 Ibid.: 622–623, 658.
- 11 Updyke (1915: 59–62).
- 12 Mahan (1905: 98–100).
- 13 Appleby (1982: 839–840).
- 14 Taylor (1964).
- 15 Lindstrom (1979: 290, 298–299).
- 16 North (1961: vii).
- 17 Ibid.: 36–37, 53.
- 18 Adams Jr (1980: 713–714).
- 19 Goldin and Lewis (1980).
- 20 Fichter (2010: 1–4). On state formation, see e.g. Acemoglu, Garcia-Jimeno, and Robinson (2015); Acemoglu and Robinson (2013); Besley and Persson (2009, 2010); Dincecco (2015); Dincecco and Katz (2016).
- 21 Haddad (2014: 2–4, 80); Fichter (2010: 28).
- 22 Gallman and Wallis (2007). This collection of articles provides important background information for the entire American economy until the Civil War.
- 23 Ruggles (1962). This is one example of those that view the Early Republic period as a precursor to American industrialization.
- 24 Davis et al. (1971: 21–25).
- 25 Carter et al. (2006: 701).
- 26 Vickers (1994: 266–267).
- 27 Watts (1989).
- 28 As quoted in Mahan (1905: 99).
- 29 Eloranta (2006).
- 30 On the trade patterns before 1770, see Fisher (1963).
- 31 Müller (2006, 2008, 2016).
- 32 Moreira and Eloranta (2011). *Contos* here means *contos de réis*, where *réis* were a Portuguese monetary unit of the time: one *conto* corresponded to one million *réis*.
- 33 Except for 1796 (staves comprising 66.0 per cent) and two other years, 1814 and 1820, which include different products that represented less than 10 per cent of the total imports, with the exception of butter (14.5 per cent) in 1814 and fish oil (16.1 per cent) in 1820.